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Southwest Louisiana Partnership
For Economic Development

Financial Statements

December 31, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6/22/05

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MEMBERS

INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors
Southwest Louisiana Partnership for Economic Development
Lake Charles, Louisiana

Robert G. Dunn
CPA



DUNN, ROBERTS
& COMPANY, LLC

We have reviewed the accompanying statement of financial position of the Southwest Louisiana Partnership for Economic Development (a nonprofit organization) as of December 31, 2004, and the related statements of activities and cash flows for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Southwest Louisiana Partnership for Economic Development.

Sara A. Roberts
CPA

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Donita G. Helms
CPA

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

DUNN, ROBERTS & COMPANY, LLC

Lake Charles, Louisiana
May 24, 2005

Southwest Louisiana Partnership for Economic Development

STATEMENT OF FINANCIAL POSITION

December 31, 2004

Current Assets

| | |
|----------------------------|---------------|
| Accounts Receivable-Grants | \$ 10,531 |
| Prepaid Expenses | 116 |
| | <u>10,647</u> |

Property and Equipment

| | |
|-------------------------------|----------------|
| Equipment | 17,561 |
| Furniture and Fixtures | 4,552 |
| | <u>22,113</u> |
| Less Accumulated Depreciation | <u>(3,447)</u> |
| | <u>18,666</u> |

| | |
|---------------------|------------------|
| TOTAL ASSETS | \$ 29,313 |
|---------------------|------------------|

LIABILITIES AND NET ASSETS

Liabilities

| | |
|-----------------------------|---------------|
| Cash Overdraft | \$ 692 |
| Accounts Payable | 508 |
| Accrued Liabilities | 2,882 |
| Deferred Income-CPPJ | 10,000 |
| Deferred Income-State Grant | 4,054 |
| | <u>18,136</u> |

Net Assets (Deficit)

| | |
|------------------------|---------------|
| Unrestricted | (7,489) |
| Temporarily Restricted | 18,666 |
| | <u>11,177</u> |

| | |
|---|------------------|
| TOTAL LIABILITIES AND NET ASSETS | \$ 29,313 |
|---|------------------|

See accompanying notes and accountants' review report.

Southwest Louisiana Partnership for Economic Development

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2004

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|--|---------------------|-----------------------------------|------------------|
| PUBLIC SUPPORT AND REVENUE | | | |
| Public Support: | | | |
| Federal and State Grants | \$ 165,056 | \$ 22,113 | \$ 187,169 |
| Revenue: | | | |
| Interest | <u>1</u> | <u>-</u> | <u>1</u> |
| | 1 | - | 1 |
| Net Assets Released From Restrictions: | | | |
| Satisfied by Payment | <u>3,447</u> | <u>(3,447)</u> | <u>-</u> |
| Total Public Support, Revenue and Reclassifications | 168,504 | 18,666 | 187,170 |
| EXPENSES | | | |
| Program Services: | | | |
| Executive Labor | 52,500 | | 52,500 |
| Administrative Labor | 22,958 | | 22,958 |
| Intern Labor | 6,403 | | 6,403 |
| Office Expenses | 128 | | 128 |
| Dues and Subscriptions | 2,683 | | 2,683 |
| Website Maintenance | 2,137 | | 2,137 |
| Telephone | 4,725 | | 4,725 |
| Lease | 5,134 | | 5,134 |
| Office Supplies | 32,765 | | 32,765 |
| Cellular Phone | 1,408 | | 1,408 |
| Marketing | 32,342 | | 32,342 |
| Auto Expense | 3,734 | | 3,734 |
| Conferences and Seminars | 3,515 | | 3,515 |
| Depreciation Expense | 3,447 | | 3,447 |
| Payroll Expenses | <u>2,114</u> | | <u>2,114</u> |
| Total Expenses | <u>175,993</u> | <u>-</u> | <u>175,993</u> |
| CHANGE IN NET ASSETS | (7,489) | 18,666 | 11,177 |
| NET ASSETS, BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>-</u> |
| NET ASSETS, END OF YEAR | <u>\$ (7,489)</u> | <u>\$ 18,666</u> | <u>\$ 11,177</u> |

See accompanying notes and accountants' review report.

Southwest Louisiana Partnership for Economic Development

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2004

| | |
|--|------------------|
| Cash Paid to Suppliers and Employees | (165,218) |
| Interest Received | <u>1</u> |
| Net Cash Provided By Operating Activities | 21,421 |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Payment for Purchase of Property | <u>(22,113)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (692) |
| Cash and Cash Equivalents: | |
| Beginning of Year | <u>-</u> |
| End of Year | <u>\$ (692)</u> |
| RECONCILIATION OF NET INCOME TO NET CASH | |
| PROVIDED BY (USED IN) OPERATING ACTIVITIES | |
| Increase (Decrease) in Net Assets | \$ 11,177 |
| Adjustments to Reconcile Net Assets to Net Cash | |
| Provided By (Used In) Operating Activities: | |
| Depreciation | 3,447 |
| (Increase) in Accounts Receivable | (10,531) |
| (Increase) in Prepaid Expense | (116) |
| Increase in Accounts Payable | 508 |
| Increase in Accrued Liabilities | <u>16,936</u> |
| Net Cash Provided By Operating Activities | <u>\$ 21,421</u> |

See accompanying notes and accountants' review report.

Southwest Louisiana Partnership for Economic Development

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

NOTE A - NATURE OF ACTIVITIES

The Southwest Louisiana Partnership for Economic Development (the Partnership) is a nonprofit partnership organized under the laws of the State of Louisiana. The primary purpose of the Partnership is to promote economic growth and development in Southwest Louisiana through the creation of jobs and financial investments within the region.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

Financial statement presentation:

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Partnership's net assets and changes therein are classified and reported as follows:

Unrestricted net assets are not subject to donor-imposed stipulations.

Temporarily restricted net assets consist of donor-restricted contributions. Amounts restricted by the donor, grantor or other outside party for a particular purpose are recognized as revenue when received and such amounts are reported as temporarily restricted net assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets are those net assets subject to donor-imposed stipulations that they be maintained permanently by the Partnership. Generally, the donors of these assets permit the Partnership to use all or part of the income earned on any related investments for general or specific purposes. Currently, the Partnership does not have any permanently restricted assets.

continued

Southwest Louisiana Partnership for Economic Development

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Use of estimates:

The preparation of financial statements for the Partnership in conformity with generally accepted accounting principles requires the use of management's estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses:

Expenses have been classified by specific functions where ascertainable. Those expenses that cannot be specifically identified by function type have been allocated to functions based upon management's best estimate of usage.

Cash and cash equivalents:

For purposes of the statement of cash flows, cash includes cash on hand, demand deposits, and all short-term debt securities purchased with an original maturity of three months or less to be cash equivalents. At December 31, 2004, the Company had no cash equivalents.

Accounts Receivable

Accounts receivable represents amounts due from the State of Louisiana not yet received at year end. Management believes that all receivables are fully collectible.

Contributions:

The Partnership has adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. Contributions, including promises to give, are recognized as revenue upon receipt and are considered to be unrestricted unless they are received with donor stipulations that limit their use either through purpose or time restrictions.

continued

Southwest Louisiana Partnership for Economic Development

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Income tax status:

- a) The Partnership was incorporated under the laws of the State of Louisiana in 2004. The corporation is exempt from taxation under Section 501(c)(6) of the Internal Revenue Code.

Deferred Revenues

Recognition of revenue related to a grant advance from the State of Louisiana is deferred until the period in which it is applied to expenses for the satisfaction of purpose restrictions. Recognition of revenue related to an advance from the Calcasieu Parish Police Jury is deferred until such time that membership dues are assessed, as stated in the letter of agreement, and revenue is earned.

Property and equipment:

Property and equipment for the Partnership are stated at cost. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Depreciation amounted to \$3,447 for the year ended December 31, 2004 and is calculated on the straight-line method based on the estimated useful lives below:

| | |
|------------------------------------|-------------|
| Buildings | 30-40 years |
| Furniture, fixtures, and equipment | 3-7 years |
| Improvements | 7-15 years |

The Partnership follows the practice of capitalizing all assets in excess of \$1,000. In accordance with the grant agreement with the State of Louisiana, title to property and equipment purchased with grant monies reverts back to the State at the termination of the contract.

Southwest Louisiana Partnership for Economic Development

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2004:

| | 2004 | | |
|-----------------------------|---------------------------------|------------------|---------------------------|
| | Balance Beginning of Year | Additions | Balance End of Year |
| Furniture and fixtures | \$ - | \$ 4,552 | \$ 4,552 |
| Office equipment | - | 17,561 | 17,561 |
| | <u>\$ -</u> | <u>\$ 22,113</u> | <u>22,113</u> |
| Accumulated depreciation | | | 3,447 |
| Property and equipment, net | | | <u>\$ 18,666</u> |

NOTE D - LEASES

The Partnership leases office space under an operating lease on a month to month basis. Annual rental expense for this lease included in the statement of activities was \$5,134.

NOTE E - ECONOMIC DEPENDENCE AND CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

During 2004, the Partnership received the majority of its funding from the State of Louisiana. The operations of the Partnership are subject to the administrative directives, rules, and regulations of the State of Louisiana. Such administrative directives, rules, and regulations are subject to change by legislative act. Such changes may occur with little notice or inadequate funding to pay the related cost, including additional administrative burden, to comply with a change.

Southwest Louisiana Partnership for Economic Development

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

NOTE F - TEMPORARILY RESTRICTED NET ASSETS

The Partnership's temporarily restricted net assets are available for the following purposes:

| | |
|--|-----------------|
| Fixed assets restricted to specific use: | <u>\$18,666</u> |
|--|-----------------|

| | |
|-------------------|-----|
| Beginning of year | \$0 |
|-------------------|-----|

| | |
|------------------------|--------|
| Current year additions | 22,113 |
|------------------------|--------|

| | |
|---------------------------|----------------|
| Current year depreciation | <u>(3,447)</u> |
|---------------------------|----------------|

| | |
|-------------|-----------------|
| End of year | <u>\$18,666</u> |
|-------------|-----------------|

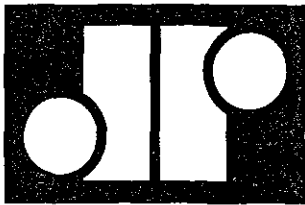
Tax
 Accounting and Auditing
 Financial Planning and Forecasting
 Estate Planning
 Management Advisory Services
 Small Business Accounting Services

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

MEMBERS

Board of Directors
 Southwest Louisiana Partnership for Economic Development
 Lake Charles, Louisiana

Robert G. Dunn
 CPA



DUNN, ROBERTS
 & COMPANY, LLC

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Southwest Louisiana Partnership for Economic Development, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Southwest Louisiana Partnership for Economic Development's compliance with certain laws and regulations during the year ended December 31, 2004 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Sara A. Roberts
 CPA

Donita G. Helms
 CPA

Federal, State, and Local Awards

1. Determine the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Southwest Louisiana Partnership for Economic Development's State Award expenditures for the fiscal year follow:

| State Grant Name | Grant Year | CFDA No. | Amount |
|--------------------------------|------------|----------|------------|
| Cooperative Endeavor Agreement | 2004 | n/a | 165,218.00 |

2. For each Federal, state, and local award, we randomly selected six disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.

3. For the items selected in procedure 2, we traced the six disbursements to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, we determined if the six disbursements were properly coded to the correct fund and general ledger account.

All of the payments tested were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, we determined whether the six disbursements received approval from the proper authorities.

Inspection of the documentation supporting all of the six selected disbursements indicated approval from the proper authority.

6. For items selected in procedure 2: For federal awards, we determined whether the disbursements complied with the applicable specific program compliance requirements summarized in *the Compliance Supplement* (or contained in the grant agreement, if the program is not included in *the Compliance Supplement*) and for state and local awards, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

We reviewed the previously listed disbursements for types of services allowed or not allowed. All disbursements were in compliance with the grant agreement.

Eligibility:

We reviewed the previously listed disbursements for eligibility requirements. All disbursements were in compliance with the grant agreement.

Reporting:

We reviewed the previously listed disbursements for reporting requirements. All disbursements were in compliance with the grant agreement.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

No programs were closed out during the period under review.

Meetings

8. We examined evidence indicating agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Southwest Louisiana Partnership for Economic Development is only required to post a notice of each meeting and the accompanying agenda on the door of their office building. Management has asserted that notices and agendas are posted not only in their office building but also at their meeting site, Sulphur City Hall. We did not, however, see any tangible proof of this assertion.

Comprehensive Budget

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Southwest Louisiana Partnership for Economic Development provided a comprehensive budget to the applicable state grantor agency for the program previously mentioned. This budget specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

10. We reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

As this was the first year of operations, there were no prior-year suggestions, recommendations, and/or comments to review.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Southwest Louisiana Partnership for Economic Development, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

DUNN, ROBERTS & COMPANY, LLC

Lake Charles, Louisiana
May 24, 2005